

**DEPARTMENT OF STATE REVENUE**

**LETTER OF FINDINGS NUMBER: 98-0312P**

**Adjusted Gross Income Tax**

**Fiscal Years Ending 06/25/94, 11/03/94, 06/24/95**

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**ISSUE(S)**

I. **Tax Administration** – Penalty

**Authority:** IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

**STATEMENT OF FACTS**

Taxpayer, in a letter dated May 18, 1998 protested penalties because it historically has always filed its Indiana returns and tax payments in a timely manner. Taxpayer was previously audited in 1995 and in 1992.

I. **Tax Administration** -Penalty

**DISCUSSION**

Taxpayer was assessed a negligence penalty for failure to include inventory and fixed assets in the sales denominator, the issue which was present in the prior two audits.

Taxpayer's argument states that historically it has always filed its Indiana returns and tax payments in a timely manner and that its account with the Department is and continues to be current without delinquencies. In addition, taxpayer states that the returns relating to the audit years were not prepared with intentional disrespect for the tax law.

A review of the audit and the prior two audits indicate the assessments were primarily based upon identical issues and no corrections were made by the taxpayer.

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**FINDING**

Taxpayer's protest is denied.